

## Message Text

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ACTION EA-06

INFO OCT-01 ISO-00 L-01 H-01 PA-01 EB-04 NSCE-00

OMB-01 SP-02 SS-14 TRSE-00 CIAE-00 INR-05 NSAE-00

SSO-00 INRE-00 NEA-07 IO-06 /049 W

-----025007 051039Z /14

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FM AMEMBASSY MANILA

TO SECSTATE WASHDC IMMEDIATE 5361

INFO AMEMBASSY JAKARTA IMMEDIATE

C O N F I D E N T I A L MANILA 07401

USADB

LIMDIS

JAKARTA FOR VICE PRESIDENT'S PARTY

EO 11652:GDS

TAGS: OVIP (MONDALE, WALTER F.)

SUBJECT: VICE PRESIDENT MONDALE VISIT TO ADB

1. THIS MESSAGE HAS NOT BEEN CLEARED WITH THE VICE PRESIDENT'S PARTY.

2. VICE PRESIDENT MONDALE'S VISIT TO THE ADB ON MAY 3 WAS HIGHLY SUCCESSFUL IN ACHIEVING THE OBJECTIVE OF DEMONSTRATING CONTINUED U.S. SUPPORT FOR ECONOMIC DEVELOPMENT IN ASIA IN GENERAL AND IN THE BANK'S ACTIVITIES IN PARTICULAR. THE VICE PRESIDENT BRIEFLY ADDRESSED OVER 350 ENTHUSIASTIC BANK STAFFERS AND HE AND PRESIDENT YOSHIDA HELD A CONVERSATION THAT DEALT WITH SEVERAL CRUCIAL ISSUES INVOLVING THE BANK AND THE U.S. THE VISIT WAS AN IMPORTANT ELEMENT IN BRINGING ABOUT A SUBSTANTIAL CHANGE IN BANK MEMBERS' ATTITUDES CONCERNING U.S. SUPPORT FOR THE ADB.

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3. THE VIEW HAD BEEN WIDELY HELD THAT THE INTEREST OF THE U.S. IN THE ADB HAD BEEN FLAGGING PRIMARILY DUE TO THE DIFFICULTY WE HAVE HAD IN OBTAINING APPROPRIATIONS TO MEET U.S. PLEDGES AS WELL AS OUR RAISING A NUMBER OF ISSUES DEEMED BY SOME TO BE EXTRANEIOUS OR EVEN DETRIMENTAL TO THE ADB'S WELFARE. HOWEVER, THE COOPERATIVE AND

GENEROUS POSITION OF THE U.S. IN THE RECENT REPLENISHMENT NEGOTIATIONS OF ADF III IN VIENNA AND THE HIGHLY COMMENTED ON AND APPLAUDED REMARKS OF ASSISTANT SECRETARY BERGSTEN AT THE ELEVENTH ANNUAL MEETING HELPED ALLEVIATE PREVAILING CONCERNS REGARDING THE U.S. POSITION TOWARD THE ADB. VICE PRESIDENT MONDALE'S VISIT WHICH INCLUDED A TALK TO THE ADB STAFF AND A CONVERSATION WITH PRESIDENT YOSHIDA REINFORCED THIS MORE POSITIVE ATTITUDE.

4. IN ADDRESSING THE STAFF THE VICE PRESIDENT RELATED HIS PERSONAL SUPPORT FOR THE FORMATION OF THE BANK WHEN HE WAS IN THE U.S. SENATE. HE COMMENDED PRESIDENT YOSHIDA ON THE BANK'S SUCCESSFUL BEGINNINGS, ITS SOUND FINANCIAL POLICIES, AND ITS EFFORTS ON BEHALF OF SOME OF THE WORLD'S POOREST PEOPLE. HE REITERATED U.S. INTEREST IN THE ASIAN REGION, ACKNOWLEDGED THE AREA'S RAPID ECONOMIC GROWTH RATE, AT THE SAME TIME NOTING THAT MILLIONS OF PERSONS ARE STILL LIVING AT UNACCEPTABLE POVERTY LEVELS. THE BANK STAFF GAVE THE VICE PRESIDENT A STANDING OVATION AS HE LEFT THE DAIS AND AS HE BRIEFLY CHATTED WITH SCORES OF STAFFERS WHO EAGERLY HELD OUT THEIR HANDS.

5. AFTER HIS TALK TO THE ADB STAFF VICE PRESIDENT MONDALE AND HIS OFFICIAL PARTY MET WITH PRESIDENT YOSHIDA AND FOUR OF HIS TOP MANAGEMENT STAFF. THE PRESIDENT OPENED THE DISCUSSIONS BY THANKING THE VICE PRESIDENT FOR THE CONFIDENTIAL

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FORTHCOMING MANNER IN WHICH THE U.S. SUPPORTED THE BANK AT ITS ADF III REPLENISHMENT MEETING WHICH ENABLED THE BANK TO ACHIEVE A TWO BILLION PLUS DOLLAR ADF LENDING TARGET FOR THE NEXT FOUR YEARS. CONCERNING VIETNAM, PRESIDENT YOSHIDA SAID THAT WHILE THE BANK HAS NOT AS YET REACTIVATED ANY SUSPENDED LOANS TO VIETNAM, IT NO LONGER HAS ANY VALID REASON TO CONTINUE THE SUSPENSION AS THE NEW GOVERNMENT HAS AGREED TO ASSUME ALL PRIOR OBLIGATIONS OF THE LOANS. PRESIDENT YOSHIDA STATED THAT AS A MEMBER OF THE BANK VIETNAM WAS ENTITLED TO TREATMENT AS AN EQUAL MEMBER. IT SHOULD NOT RECEIVE ANY SPECIAL FAVORS BUT SHOULD NOT BE SUBJECT TO DISCRIMINATION. IN CONCLUDING HIS COMMENTS PRESIDENT YOSHIDA RAISED THE U.S. TAX LEGISLATION WHICH HE STATED WAS PREVENTING HIM FROM ATTRACTING A COMPETENT MIDDLE AND SENIOR LEVEL U.S. STAFF.

6. VICE PRESIDENT MONDALE RESPONDED TO PRESIDENT YOSHIDA ON EACH OF THESE ISSUES INDICATING, INTER ALIA, THE HIGH IMPORTANCE WE ATTACH TO HUMAN RIGHTS CONSIDERATIONS BEING CONSIDERED IN THE BANK'S LENDING POLICIES AND THE SERIOUS SENSITIVITY THAT STILL EXISTS IN THE U.S. AND WITH CONGRESS TO BANK LENDING TO INTO-CHINA. ON THE TAX

QUESTION VICE PRESIDENT MONDALE OFFERED TO HAVE HIS STAFF  
LOOK INTO THE QUESTION ON THEIR RETURN TO WASHINGTON.

7. FOLLOWING THE VICE PRESIDENT'S DEPARTURE FROM THE  
BANK, PRESIDENT YOSHIDA SOUGHT ME OUT TO EXPRESS HIS  
PERSONAL DEEP APPRECIATION THAT THE VICE PRESIDENT WAS  
WILLING TO TAKE TIME OUT FROM HIS BUSY SCHEDULE TO VISIT  
THE BANK AS WELL AS HIS HAPPINESS WITH THE VICE PRESI-  
DENT'S QUOTE SYMPATHETIC ATTITUDE UNQUOTE. EDMOND

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